

**Camden Select Board
Minutes of Meeting
February 23, 2010**

PRESENT: Chairperson Karen Grove, Vice Chairperson Deborah Dodge, Anita Brosius-Scott, John R. French, Jr., Morgan Laidlaw, Town Manager Roberta Smith, and Town Attorney William Kelly, Matthew Eddy of Eaton Peabody. Also present were members of the press and public.

1. Public Hearing for the purpose of receiving public comments on the proposed designation of the "Town of Camden Business Highway Tax Increment Financing District" and the adoption of a development program for this District, pursuant to the provisions of Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended.; and

Public Hearing for the purpose of receiving public comments on the proposed designation of the "Town of Camden Downtown Tax Increment Financing District" and the adoption of a development program for this District, pursuant to the provisions of Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended.

8 PM **SPECIAL TOWN MEETING**

Continued Select Board Workshop Meeting at the conclusion of the Special Town Meeting

2. Continued discussion on long term strategic goals for the town

Minutes of Meeting

Chairperson Grove called the meeting to order at 7:00 p.m.

Chairperson Grove read the rules and regulations for conducting public hearings in preparation of the public hearings to be held this evening.

1. A public hearing was held for the purpose of receiving public comments on the proposed designation of the "Town of Camden Business Highway Tax Increment Financing District" and the adoption of a development program for this District, pursuant to the provisions of Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended and on the proposed designation of the "Town of Camden Downtown Tax Increment Financing District" and the adoption of a development program for this District, pursuant to the provisions of Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended.

Matthew Eddy of Eaton Peabody Consulting Group gave a power point presentation on how Tax Increment Financing works. The power point presentation basically explained the basic rules and requirements of the State's Tax Incrementing Financing Program, the geographic boundaries of the downtown and business highway TIF districts, the TIF options for Camden based on new downtown investment, a proposed revenue flow over 20 years and a proposed list of downtown projects. Creating a downtown TIF permits the town to freeze present property values and use up to 100% of the new value to pay for TIF related projects. Each of these projects represents an important piece in the core development of the downtown and will help Camden improve economic potential because these projects are community based. It's not keeping other people's taxes it is a way of looking at new

revenue and finding a way to keep that revenue so that you can utilize it for good investment strategies. This is an opportunity for the community to invest.

Peter Gross, member of CEDAC, explained this is not to increase taxes on anybody but let's take that increase tax revenue and shelter it from the state and use it for projects that help to develop and encourage business and growth in Camden.

Chairperson Grove opened the hearing for questions and to hear from any proponents or opponents.

Leonard Lookner, Melvin Heights – applauded the work of CEDAC for bringing this forward. He did question however how we set the priority for the downtown projects? Peter Gross explained the projects that get chosen first will be the responsibility of CEDAC as the advisory group to review the TIF, review the funds, and review the projects that need to be done to develop the priorities and make recommendations to the Select Board and also make recommendations to the Budget Committee. Ultimately these are town funds and in order to spend them we need the vote of the citizens. There will be a vote every year on how those funds will be spent.

Robert Williams – Willow Street – his question is what is the tax revenue sheltered from? We still have to pay bills to the county and school and out of the general fund if we have projects that are going to appear in the warrant at town meeting the money that is being sheltered for the next 20 years can not be used for expenses in the town budget, school, and county. In other words it is not just state revenue sharing that this money is being sheltered from it means the money cannot come back to the town coffers. He understands this to mean we can use that sheltered money for local revenue raising on that sheltered money?

Manager Smith if you look at the annual average net benefit over 20 years of a TIF on this projected amount of additional tax value you will see that a TIF shelters 100% of new incremental value over that 20 year life and the average annual benefit is \$98,537 that comes in as revenue that can be used for projects however they are defined. If you do not have a TIF so that none of it is sheltered for then for every 1.9 million dollars in additional revenue over 20 years the projected net average annual benefit use that you have for all those other costs is only \$11,673. You are absolutely right that incremental value is not used for other general fund expenses but what you are doing is keeping more of the money to pay for projects some of which might be in the town budget like infrastructure improvements.

Ray Andresen – 14 Cove Road – If a TIF district is approved what will be the affect over 20 years to taxpayers not in a TIF district?

Peter Gross stated to some extent we don't know what is going to happen whether the economy is going to change or whether some of these developments are going to take place in the downtown area. Objectively the property taxes where you live should not go up because we have a TIF district. With a TIF district and the funds we are sheltering and if it does the job we are planning to do then we should have an increase in property values and other development outside of the downtown area that will help to pay those extra taxes.

Matthew Eddy – Eaton Peabody - stated the whole idea of the shelter is that if you are using them for downtown funds the TIF can potentially free up other general fund money for you to be able to do projects outside the district.

Eric Charleton – Park Street – stated that he relocated to the coast 17 years ago and chose Camden because it was a residential town. He stated because of the Select Board and Planning Board we don't have any Wal-Mart's or MacDonald's and he is glad. His impression from reading about this TIF information that the emphasis was on getting more tourists, with boardwalks and a bridge to nowhere. He wonders if we want to be another Boothbay Harbor.

Jane Lafleur- 5 Free Street – asked where the does the money sit that we collect that we are going to be sheltering? Does it sit in an account somewhere and grow interest? How is that money handled? She hopes the voters will get to vote on individual projects will make sure the money is there to fund those projects because we may not get the revenue stream that we are expecting because it is based on projections. Will be there be a separate account set up and that money will sit there and perhaps it won't even be spent for 20 years?

Manager Smith stated whether it's a separate account or separately accounted for she can assure you that there won't be a proposal to build or buy something unless there is money in the fund to do that. The exception to that is once you have some new value and you know what the annual income is going to be then you could very well look at a bond issue to build a parking garage for example and know that the assured annual income from taxes is based on this value that has already been built that the annual income from that will pay the debt service on the bond issue. It will be separately accounted for and her perception is that whatever project is recommended it might not necessarily be a separate article unless it is a bond issue but it will be part of the whole budget development process that the revenue would pay for something and the revenues are either generated that is already in a fund or are assured will be in that fund because the value has already been captured.

Jane Lafleur – 5 Free Street -thought she heard earlier that each individual project would be voted separately but she thought she just heard the Manager say it could be part of the whole part budget package because it's not a bond.

Manager Smith stated if you have a bond issue then it is usually a separate article. If you have an article that you are not financing it can be part of your capital that is in the budget and be discussed and approved as part of that whole budget article. From her perspective it would be shown as TIF revenue which is offsetting the cost of the project. Again because Camden has not had TIF revenue that whole process hasn't been developed. She does not see it as something that won't be obvious in the whole budget process.

Susan Dorr – 17 Mill Street – trying to understand about the possibility of property tax increase for residents who are not in the TIF district because it seems to her if you are sheltering value of a certain number of properties within that district then it seems inevitable that the school budget increases and that the increased value in the TIF district are protected and not contributing to the general fund. It appears that any increase in education subsidy would have to come from taxpayers outside the TIF district.

Manager Smith replied Camden has 1.1 million assessed value and that won't change. Say there is 5 million dollar new taxable value in the upcoming year. It's the taxes on the new 5 million dollars that

you are sheltering so whatever it costs for schools, county, municipal services it's all calculated on the unsheltered portion of your tax the 1.1 million. It is true that you don't have that new value to help you spread out over all your other costs however that reflects everyone's tax bills not just the properties outside of the TIF. Every property in town will have same mil rate. It is only the incremental value that's sheltered it's not an advantage or disadvantage if you are in or outside of a TIF district.

Jeff Dodge – 27 High Street – asked what the percentage is of property taxes paid are by the TIF districts. When the town budget in five years is 10-15% more than it is this year who is going to pay for it? The increment value that is occurring in the TIF areas will not be paying for it the rest of us will be paying for it so even though the tax rate stays the same my house has increased some just like everybody else's so perhaps the money that the TIF district will be contributing to the general fund is going to build a bridge to nowhere and his tax money is going to pay for Snow Bowl improvement, the schools, and all those other things. The only way that this works for a taxpayer is if the TIF money is spent on projects that the town would have to spend their general funds on then he could see the benefit but if you are building a bridge that none of us taxpayers probably don't think is really important then this is not a real benefit to the average taxpayer.

Board member Brosius-Scott stated what we are talking about is the sheltering; if you look at the blue chart in the materials in that area over the 20 years normally without a TIF we would be getting an income that would go into the general fund of \$233,000. If we have a TIF we would be getting a tax income of 1.9 million dollars so the difference is 1.7 million dollars. The townspeople could vote on this when they are determining where they want their TIF money to go such as to the infrastructure improvements that are included in this list. All the townspeople need do to take care of their concerns that have been voiced is just say let's make sure that \$233,000 of the TIF money goes to infrastructure improvements or needs within the TIF because those are needs no matter that are covered normally by our town budget. If we need to do a wastewater sewer line infiltration study which is one of the things on the list then we have to put aside town budget money to pay for that. So if you make sure that you are covering infrastructure that we would normally cover with the proportion of the TIF money that we would normally getting from our town coffers then you still got 1.7 million that is free money and that is the money we are playing with and doing things that we wouldn't normally be able to do.

Leonard Lookner – Melvin Heights – asked what happens in a revaluation? In other words if he has a piece of property that is worth \$100,000 without any improvements and it gets re-valued for \$200,000 does the \$100,000 goes toward the TIF if I am in the district? Matthew Eddy said that is correct. Lookner replied so there is an incentive for the community to do a re-evaluation in the business district to raise money for the TIF. We are assuming that the TIF is business friendly. We are assuming that the we are creating the TIF to create a better situation to attract business but yet there is an incentive in this to detract business.

Manager Smith stated we wouldn't choose to revalue just one section of town. If we did a revaluation it would be town-wide. Lookner stated he understands that but even if you revalue town wide it could still be used as an incentive and the town would get no value out of it.

Donald Herrick – 19 Oak Street – he would like to know what is the hurry to pass this? Why are we having a special election instead of at the annual meeting?

Peter Gross replied that the assessed value for property taxes are established every April 1st so by having the TIF in place now we can capture and protect those new values now instead of waiting 12 months.

Herrick stated there is a lot to digest tonight and he feels the whole town should have a chance to vote on this.

Geoff Scott – Ames Terrace – would like to follow up on Leonard's questions and his concerns about the reevaluation. When we re-evaluate properties we have a legal process a very clear process and what he thinks Lookner is saying is that he does not trust the people who re-evaluate properties. Lookner stated he did not say he did not trust it he just feels there is an incentive to do one and that concerns him.

Geoff Scott also asked how do we determine what our contribution is to the school budget versus the state's contribution. Manager Smith stated it is mostly assessed value. Scott asked so if there is an additional value downtown that is excluded and will the state contribute a greater portion of the school's budget? Manager Smith replied the higher your tax value the less you qualify for state subsidies so as your value goes up your qualification for state subsidies goes down. Scott stated if we have a 10% of our increase is set aside in a TIF then there is a little bit of protection and a greater contribution potentially from the state for if instance a lot of the investment goes downtown and there is considerable growth and it is not counted as part of that valuation wouldn't be have a potential gain from the state.

Ray Andresen – 14 Cove Road – stated he is in favor of the TIF but he does think each individual project should come up for a vote by the citizens and not be folded in together in the budget. They need to be voted on individually by the citizenry.

Bob Gassett – 20 Thomas Street – asked how much is the new value for this April 1st? Matthew Eddy – Eaton & Peabody stated it is \$3 million.

Mary Korberstein – 104 Chestnut Street- asked why the money is not earmarked to spur development because it seems to her that way you are sort of leveraging your money and you are creating development that might not otherwise occur and that in turn would raise values everywhere as opposed to more or less relying on historical increases and assessed value to fund your TIF.

Peter Gross stated that is a very good comment and certainly needs to be taken into consideration. He thinks that they have built some of that effort into the program with some of the programs that projects listed in there in terms of the possibility of a revolving fund for support for development director who would be able to coordinate that effort where we don't have that. Certainly the objective of the TIF is to encourage development, encourage growth, create jobs not just for tourists but to make Camden a more desirable place to live and work.

Jane Lafleur – 5 Free Street – she thinks she heard that the project list is a wish list and it can change by the CEDAC bringing recommendations to the Select Board if that is true can the dollar amounts change too and there is no priority established by this list. She would encourage the Board to make job creation the top priority and this revolving loan fund for \$150,000 is a drop in the bucket when we need jobs and Camden has historically been an incubator for small businesses that then move out

when they need to expand and she thinks that is our niche in this region and we should try promote small businesses to stay here.

Chairperson Grove closed the public portion and opened the discussion up to the Board.

Board member Dodge stated she got the message about the individual projects and wanting to be able to have a say on what those projects are going to be. There needs to be a good thorough vetting process for all of that so the town certainly knows that they are having a say on what those projects will be. She thinks the TIF district is a good idea and part of that is to be competitive in the environment that we are in economically now. We have communities around us that are making investments in their towns. The City of Rockland has been very successful in getting grants and creating programs to improve the vibrancy of their community and she thinks this is a tool that Camden can use to do the same thing. We can't just say we live in a beautiful community and come to Camden. The Coast of Maine is full of beautiful communities that people may want to come to and she thinks it is important for prospective businesses that may be coming to town or looking at Camden or businesses that want to expand to know that this community is willing to invest in itself to make it a vibrant and viable place for them to be and to do business and a TIF allows us to do that.

Board member Grove stated as we go forward with each one of these projects and they come to the voters there will be public hearings like this before it goes onto the warrant. The public process is very much a part of every step of what is going on here.

Board member French stated thinks we have a good opportunity to reinvest back into the community. We have a good chance to do some infrastructure work that won't impact the outside taxpayers and maybe the money we were going to use from the general fund to do something downtown could be used now for a project outside of town. We have some golden opportunities and he does support it and he also agrees that we need to do everything we can to make sure the people understand what the project is when shown in the budget so people understand what they are and get a chance to speak to them and vote on them.

Board member Brosius-Scott would like to reiterate the support having the individual projects separated out and discussed at a town meeting not on a secret ballot so that is part of the budget discussion in town meeting in the Opera House. It is important to be there obviously if you are not there to vote and discuss it at that time then you won't have a voice in it. We do very much appreciate those who do come to the town meeting. With regard to the calculations that Eddy came up with and approximations about how much money will be sheltered? Were you using formulas based on Camden's history, Camden's contribution to schools? Eddy stated yes and using all the forms that the schools use in revenue sharing. Brosius-Scott stated she has the same confusion about how much we get from the school. Eddy stated it has more to do with the complicated formula you have in your school district. Because you don't get much from the state but do have a value based sharing system. Brosius-Scott said she would also like to express her support for the TIF district and also mention that to keep in mind this is a state sanctioned approved incentive program intended to help municipalities develop.

Tom Rockwell – 21 Pearl Street - would like to stress how important it is that each project be voted on separately by the citizens.

At 8:25 pm John French made a motion to adjourn the Select Board meeting. Debora Dodge seconded this motion. The motion passed on a 5-0-0 vote.

After the adjournment of the Town Meeting the Select Board reconvened to act on the remainder of the agenda approximately 9:10 pm.

A motion was made to amend the agenda to add the appointment of an Interim Assessors' Agent. The motion was duly seconded. The motion passed on a 5-0-0 vote.

2. Continued discussion on long term strategic goals for the town was tabled.
3. **A motion was made and duly seconded to appoint Wesley Robinson as the Interim Assessors' Agent until July 1, 2010. The motion passed on a 5-0-0 vote.**

At 9:25 pm a motion was made and seconded to adjourn.

Janice L. Esancy
Recording Secretary